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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/866,324	05/24/2001	Michael Alvarez Cohen	13218-003001	5258

26181 7590 11/29/2004

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EXAMINER

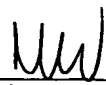
WEBB, JAMISUE A

ART UNIT	PAPER NUMBER
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3629

DATE MAILED: 11/29/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/866,324	Applicant(s) COHEN ET AL.	
	Examiner Jamisue A. Webb	Art Unit 3629	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 02 September 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1,3-12,14,15,17-26 and 29-34 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1,3-12,14,15,17-26 and 29-34 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 02 September 2004 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Response to Amendment

1. The office action is in response to the Amendment filed 9/21/2004.
2. The amendment filed 9/21/04 is objected to under 35 U.S.C. 132 because it introduces new matter into the disclosure. 35 U.S.C. 132 states that no amendment shall introduce new matter into the disclosure of the invention. The added material which is not supported by the original disclosure is as follows: the applicant has added the following limitation to the independent claims: "wherein the future usage level is related to a future revenue that is generated in part by usage of the network-enabled device". The specification talks about revenue and the price being related to revenue, but is silent to the fact that revenue is generated in part by usage of the network-enabled device, it only talks about revenue being generated by the user purchasing items over the internet.

Applicant is required to cancel the new matter in the reply to this Office Action.

Claim Rejections - 35 USC § 112

3. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.
4. Claims 1, 3-12, 14-15, 17-26, 29-34 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled

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in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. See above for reasons.

5. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

6. Claims 3-5, 17-19, 29 and 32-34 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

7. With respect to Claims 3 and 17: the phrase "other exercise devices of a type similar to the exercise device included in the network-enabled exercise device" is indefinite. It is unclear to the examiner what is included in what. Does this mean an exercise device is included within a network-enabled exercise device? If so, how can an exercise device be included in itself? Is the usage included in the network-enabled device?

8. Claims 29 and 32 recites the limitation "the revenue". There is insufficient antecedent basis for this limitation in the claims.

9. Claim 33 recites the limitation "the instructions operable to receive statistical information" in lines 1-2. There is insufficient antecedent basis for this limitation in the claim.

10. Claim 34 recites the limitation "the fitness club" in lines 2-3. There is insufficient antecedent basis for this limitation in the claim.

Claim Rejections - 35 USC § 101

Claims 1, 3-12 and 29-31 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use or advance the technological arts fail to promote the “progress of science and the useful arts” (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use or advance the technological arts. In the present case, Claims 1, 3-8 and 10-14 only recites an abstract idea. The recited steps of merely comparing usage level with a threshold value and calculating price does not apply, involve use or advance the technological arts since all of the recited steps can still be performed in the mind of the user or by use of a pencil and paper. These steps only constitute an idea of how to calculate the cost of equipment.

As to technological arts recited in the preamble, mere recitation in the preamble (i.e., intended or field of use) or mere implication of employing a machine or article of manufacture to perform some or all of the recited steps does not confer statutory subject matter to an otherwise abstract idea unless there is a positive recitation in the claim as a whole to breathe life and meaning into the preamble. In the present case, none of the recited steps are directed to anything

in the technological arts as explained above with the exception of the pre-amble stating a “computer-implemented method” and a “network-enabled” device. Looking at the claim as a whole, nothing in the body of the claim recites any structure or functionality to suggest that a computer performs the recited steps. Therefore, the preamble is taken to merely recite a field of use.

Mere intended or nominal use of a component, albeit within the technological arts, does not confer statutory subject matter to an otherwise abstract idea if the component does not apply, involve, use, or advance the underlying process.

In the present case, the claim recites the step of receiving information over a computer accessible network, but fails to disclose any of the manipulation of the information being done on a computer. A person can still receive the information on the computer screen, and perform all the functions in the mind of the user or on a piece of paper.

Additionally, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. In the present case, the claimed invention produces prices of equipment based on predicted usage values.

Although the recited process produces a useful, concrete, and tangible results, since the claimed invention, as a whole, is not within the technological arts as explained above, claims 1, 3-12 and 29-31 are deemed to be directed to non-statutory subject matter.

Claim Rejections - 35 USC § 103

11. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

12. Claims 1, 3-12, 14-15, 17-26, 29 and 32 are rejected under 35 U.S.C. 103(a) as being unpatentable over Netpulse (Press release March 1, 1999) in view of Krishan et al. (6,442,529) and Schoenborn (6,532,281).

13. With respect to Claims 1, 8, 15 and 22: Netpulse discloses the use of a network enabled piece of exercise equipment that is internet ready, however fails to disclose how to price the exercise equipment by predicting the future usage level of the network enabled device.

14. Krishan discloses the use of pricing internet access as well as the hardware or device used to provide the internet access, where the cost is based on the viewing of e-commerce advertising (see abstract). Schoenborn discloses the method of pricing a monthly usage of a telecommunications network, which is capable of being a data transfer network (see abstract, column 2, lines 22-27). Schoenborn discloses the method including receiving usage information for predicting future usage (column 3, lines 39-44), comparing the future usage with average costs (column 3, lines 59-67) and calculating the cost of the monthly usage (column 4, lines 1-7). It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the method of Netpulse to include the advertising aspect, as disclosed by Krishan and to further modify the price being dependent on current use, to the price being

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dependent on and including the costing method where the future use of the internet access is predicted and the price is based on the category the user is placed in, or the future use, as disclosed by Schoenborn, in order to display advertising and to use the revenue generated by the advertising to subsidize internet cost (See Krishan, abstract and columns 3 and 4). And in order to optimize tariffing in a communications network and to provide a flat rate pricing for network access of network equipment (See Schoenborn, Column 1).

15. With respect to Claims 3 and 17: Schoenborn discloses the use of using past history of customers with similar usage to quote a cost or flat rate price (column 4, lines 18-29).
16. With respect to Claims 4, 5, 18 and 19: See Schoenborn, Column 7, lines 54-67.
17. With respect to Claims 6, 7, 20 and 21: See Schoenborn, column 1, lines 62 to column 2, line 51.
18. With respect to Claims 9 and 23: See Krishan, Figures 7 and 8 and Column 6, lines 6-17.
19. With respect to Claims 10-12 and 24-26: See Krishan, Column 3, lines 62 to column 4, line 6, Column 5, lines 52-55, Column 6, lines 18-25, Column 7, lines 1-42 and Column 8, lines 23-31.
20. With respect to Claim 14: See Schoenborn abstract.
21. With respect to Claim 29 and 32: See Krishan, Column 6, lines 6-48.

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22. Claims 30, 31, 33 and 34 are rejected under 35 U.S.C. 103(a) as being unpatentable over Netpulse, Krishan and Schoenborn as applied to claims 1 and 14 above, and further in view of Virine et al. (6,604,138).

23. With respect to Claims 30 and 33: Netpulse, Krishan and Schoenborn disclose the claimed invention, as stated above, but fails to disclose statistical information on the usage of exercise equipment being received from a fitness center. Virine discloses each user having a profile, which logs the users activities and provides the statistical information to the main server of the network enabled exercise device (Column 11, lines 27-67). It would have been obvious to one having ordinary skill in the art at the time the invention was made, to modify Netpulse, Krishan and Schoenborn to have the usage information comprise the statistical information of Virine, in order to provide demographically targeted information to a user to provide more appealing content to users. (See Virine, Columns 1 and 2)

24. With respect to Claims 31 and 34: Netpulse, Krishan and Schoenborn fail to disclose the statistical information includes the total number of members of the fitness club. It is obvious that each member has to create a user profile, therefore the information is inherently present in the database/server that controls the equipment. It is old and well known in the art that the number of members of a fitness club is used to determine how many machines are needed to be purchased, therefore it would have been obvious to include this information in the statistical information, due to the fact that the fitness club would need to know how many items to purchase.

Response to Arguments

25. Applicant's arguments with respect to claims 1-26 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

26. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

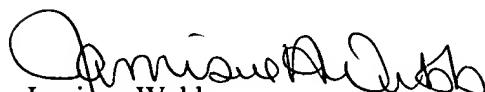
A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jamisue A. Webb whose telephone number is (703) 308-8579. The examiner can normally be reached on M-F (7:30 - 4:00).

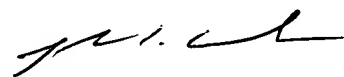
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on (703) 308-2702. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Jamisue Webb



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